

NEW APPLICATION

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Lance J.M. Steinhart

Attorney At Law

6455 East Johns Crossing

Suite 285

Duluth, Georgia 30097

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Telephone: (770) 232-9200

Facsimile: (770) 232-9208

February 28, 2000

VIA OVERNIGHT DELIVERY

Docket Control Center

Arizona Corporation Commission

1200 W. Washington Street

Phoenix, Arizona 85007-2927

DOCKET NO.

T - 038421 - 00 - 0130

Re: Advanced TelCom Group, Inc.

Application and Petition for A Certificate of Convenience and Necessity to Provide
Competitive Telecommunications Services and Competitive Classification

Dear Sir/Madam:

Enclosed please find for filing an original and ten (10) copies of Advanced TelCom Group, Inc.'s Application and Petition for A Certificate of Convenience and Necessity to Provide Competitive Telecommunications Services and Competitive Classification.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Respectfully submitted,


Lance J.M. Steinhart

Attorney for Advanced TelCom Group, Inc.

Enclosures

c: Richard Levin, Esq. (w/enc)

Application and Petition)
of Advanced TelCom Group, Inc.)
for a Certificate of Convenience) Docket No.
and Necessity to Provide Competitive)
Telecommunications Services)
And)
Petition to Classify the Services)
Provided by Applicant as Competitive)

DOCKET NO. T-03842A-00-0130

Advanced TelCom Group, Inc., hereinafter referred to as "Applicant," by its attorney, and pursuant to Arizona Corporation Commission Title 14, Chapter 2, Article 11, Rules 14-2-1104, 14-2-1105 and 14-2-1108, hereby respectfully requests that the Arizona Corporation Commission, hereinafter referred to as "Commission", grant it a Certificate of Convenience and Necessity to Provide Competitive Telecommunications Service and Competitive Classification to the Services Applicant intends to provide.

**I. APPLICATION OF ADVANCED TELCOM GROUP, INC. FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE
COMPETITIVE TELECOMMUNICATIONS SERVICES**

In support of its Application for a Certificate of Convenience and Necessity to Provide Competitive Telecommunications Services within the State of Arizona, as set forth more specifically herein, Applicant provides the following information:

1. Description of the Company and the Services it intends to Offer:

The Applicant is a Delaware corporation, which was incorporated on July 1, 1998. A copy of Applicant's Certificate of Incorporation is attached hereto as **Exhibit A**. Applicant is authorized to transact business in the State of Arizona and a copy of its authorization issued by the Arizona Corporation Commission Corporations Division is attached hereto as **Exhibit B**.

Applicant commenced offering services in 1998 and currently provides local exchange and interexchange telecommunications services, both as a reseller and as a facilities-based provider. Applicant has local exchange and interexchange authority in California, Colorado, Connecticut, Idaho, Illinois, Maryland, Michigan, Montana, Nevada, New York, New Jersey, Oregon, Texas, Virginia, and Washington. Applicant eventually plans to obtain such authorizations on a nationwide basis. No such applications have been denied or authorizations revoked.

Local exchange telecommunications services will initially be offered on a resale basis by establishing resale agreements from incumbent local exchange carriers ("ILEC"). As a reseller, Applicant will utilize available U S WEST facilities, the precise nature and extent of which has not yet been determined. Applicant's initial services will involve basic local exchange, private line, and dedicated access data transmission services. The Applicant, in the future, also intends to provide facilities-based service, utilizing its own telecommunications equipment collocated in the ILECs' central offices. Applicant may also lease dedicated

will also lease space to its customers at its neutral transport exchange sites to connect its equipment to the facilities of other carriers.

2. Applicant's Name, Address and Telephone Number:

Advanced TelCom Group, Inc.
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

Applicant will do business in the State of Arizona under the name "Advanced TelCom Group, Inc."

Applicant currently has no offices in the State of Arizona.

3. Officer and Directors:

The names of Applicant's officers, directors, and Arizona agent for service of process are as follows:

Officers:

Clifford G. Rudolph	Chairman & Chief Executive Officer
Thomas A. Grina	Sr. Vice President & Chief Financial Officer
Robert Warstler	President & Chief Operating Officer
Michael Black	Sr. Vice President – Western Region
Curtis Wheeling	Sr. Vice President – Marketing & Business Development & Chief Technology Officer
Charlene S. Curry	Vice President Finance & Treasury
Eric Russell	Vice President Corporate Controller
Kathleen Klein	Sr. Vice-President
Kathleen L. Thomas	Vice President Regulatory & Public Policy

Directors:

Robert Benbow
Adam Goldman
Joseph McCullen, Jr.
Clifford G. Rudolph
Stephen W. Schovee
Kevin Somerville
John Watkins
Blair P. Whitaker
Bill Price

Registered Agent:

National Corporate Research, Ltd.
815 N. First Avenue, Suite 4
Phoenix, Arizona 85003

4. Applicant's Representatives

The name, title, address, telephone number, facsimile number and e-mail address of Applicant's representatives are as follows:

Management Contact:

Kathryn Thomas, VP - Regulatory & Public Policy
110 Stony Point Rd., Second Floor
Santa Rosa, CA 95401
Telephone: (707) 535-8999

Facsimile: (707) 535-8909
E-mail: kthomas@atgi.net

Complaint Contact:

Kathryn Thomas, VP - Regulatory & Public Policy
110 Stony Point Rd., Second Floor
Santa Rosa, CA 95401
Telephone: (707) 535-8999

Facsimile: (707) 535-8909
E-mail: kthomas@atgi.net
Applicant's toll-free customer service number is 800-367-2844.

Attorney Representing Applicant:

Lance Steinhart, Regulatory Counsel
6455 E. Johns Crossing, Suite 285
Duluth, Georgia 30097
Telephone: (770) 232-9200
Facsimile: (770) 232-9208

E-mail: steinhart@mindspring.com

5. Miscellaneous Statements

A. The Applicant has never sought authority to provide telecommunications services and in which the state granted authority with major changes and conditions or did not grant an application for those services.

B. The Applicant was never granted authority to provide telecommunications in any state where subsequently the authority was revoked.

C. The Applicant has never been nor is it currently involved in any formal complaint proceedings before any State or Federal Regulatory Commission.

D. The Applicant has not been involved in any civil or criminal investigations related to the delivery of telecommunication services within the last five years.

E. The Applicant has not had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years.

6. Financial Information

Copies of Applicant's Financial Statements as of November 30, 1999 are attached hereto as **Exhibit C**.

7. Technical Information

The senior management of Advanced TelCom Group, Inc. has great depth in the telecommunications industry and offer extensive technical and managerial expertise to Advanced TelCom Group, Inc. pertaining to the telecommunications business. Biographical information for Applicant's key personnel is attached hereto as **Exhibit D**. Exhibit D clearly demonstrates that Applicant has the business experience and technical knowledge required to successfully provide the proposed telecommunications services.

In the event that Applicant ceases to do business, Applicant will abide by Arizona Corporation Commission Title 14, Chapter 2, Article 11, Rules 14-2-1107, Application to Discontinue or Abandon Local Exchange Service Area.

8. Geographic Area of Operation

Applicant seeks certification to provide competitive interexchange telecommunications services throughout the State of Arizona and competitive local exchange service throughout U S WEST operating territories within the State of Arizona.

9. Description and Map of Operating Area

Applicant seeks certification to provide interexchange services throughout the State of Arizona. In the areas for which Applicant is seeking Commission certification and authority to provide local exchange services, the incumbent provider of local exchange telecommunications services is U S WEST. Applicant is requesting authority to operate in the exact same geographic areas in which U S WEST operates, therefore Applicant requests that the Commission waive the requirement that Applicant provide maps of these operating territories since such maps have been provided by U S WEST and are on Commission file.

10. Initial Tariff

Applicant's initial interexchange tariff is attached hereto as **Exhibit E**. Applicant hereby requests a waiver of its filing of a local exchange tariff until resale/interconnection negotiations are completed.

11. Public Interest Benefits

It is in the public interest for the Commission to grant Applicant the authority to provide the competitive telecommunications services described herein. Permitting Applicant to provide the services described in this Application will expand service options and increase competition in Arizona without any adverse impact on the Commission's goal of universal services and affordable service for individual customers. Approval of this Application and Petition will lead to substantial additional private investment in Arizona's telecommunications infrastructure and promote consumer choice by expanding the availability of innovative, reliable, high quality and competitively priced telecommunications services. Approval also is likely to cause other telecommunications providers to improve their existing services, to become more efficient and to introduce service innovations of their own.

12. Petition for Competitive Classification

All of the services offered by Advanced TelCom Group, Inc., (ATGI) are subject to effective competition. Numerous companies provide long distance and local exchange telecommunications services. Carriers that may compete with ATGI include AT&T, MCIWorldCom, Sprint, U S WEST and others. Applicant has no affiliates providing such services, with the exception of Shared Communications Services, Inc. in Oregon, Washington and Nevada as a reseller of Centrex and nationwide as a reseller of interexchange services; NewComm Net, as a reseller of local exchange and long distances services in Maryland; and a Virginia public service corporation, Advanced TelCom Group of Virginia, Inc., as required by Virginia law for provision of services in that state, all of which are wholly owned subsidiaries of Applicant. Terms and conditions of competing services are very similar. Many of these carriers offer a variety of local exchange and interexchange services. Pricing differences are used for competitive purposes to attract customers. Competing carrier's rates and terms of services are contained in tariffs on file with the Commission. ATGI's terms and conditions will meet Commission regulatory requirements and will be stated in the company's proposed tariff to be filed with the Commission.

ATGI currently has no customers in Arizona. ATGI does not expect to gain more than a modest share of telecommunications market in Arizona. Furthermore, entry into the telecommunications business is accomplished with relative ease. Ease of market entry is apparent by the number of market participants and the growing number of start-up telecommunications companies. Economic conditions and customer demand currently make new companies and services viable, since customers are looking for new and innovative providers, particularly companies that bundle a variety of services, as is the intent of Applicant.

Therefore, Applicant has demonstrated that within the relevant market, telecommunications services are competitive, and that Applicant's service offerings should be

Therefore, Applicant has demonstrated that within the relevant market, telecommunications services are competitive, and that Applicant's service offerings should be classified as competitive.

In view of the foregoing, Advanced TelCom Group, Inc., respectfully submits that the Public Convenience and Necessity would be served by the grant of its Certificate of Convenience and Necessity to Provide Competitive Telecommunications Service and its grant of Competitive Classification to the Services Applicant intends to provide.

Respectfully submitted,

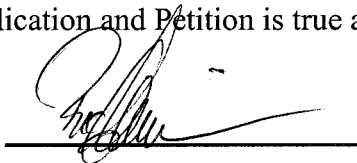
Advanced TelCom Group, Inc.

By:

A handwritten signature in black ink, appearing to read 'Lance J.M. Steinhart', is written over a horizontal line.

**Lance J.M. Steinhart, Esq.
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
770-232-9200**

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services and that the company will abide by Arizona State Law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



Richard Levin, Esq., (Signature)

(Date) 12/20/99



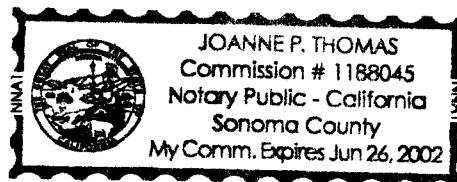
Richard Levin, Esq., (Print Name)

(Title)

SUBSCRIBED AND SWORN to before me this 20th day of December, 1999


My Commission Expires

NOTARY PUBLIC



LIST OF EXHIBITS

Exhibit A - Certificate of Incorporation

Exhibit B - Authorization to Transact Business in Arizona

Exhibit C - Financial Information

Exhibit D - Biographical Information

Exhibit E - Tariff Information

EXHIBIT A
Certificate of Incorporation

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:30 PM 01/01/1998
981258123 - 2916207

CERTIFICATE OF INCORPORATION

OF

ADVANCED TELECOM GROUP, INC.

FIRST. The name of the corporation is Advanced Telecom Group, Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19081. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The aggregate number of shares which the corporation shall have authority to issue is 200,000 shares. 100,000 shares of Common Stock with the par value of \$1.001 per share, and 100,000 shares of Preferred Stock with the par value of \$1.001 per share.

FIFTH. The name and mailing address of the incorporator are:

Greg Brogger
c/o Wilson Sonsini Goodrich & Rosati, Professional Corporation
650 Page Mill Road
Palo Alto, CA 94304-1050

SIXTH. The Corporation is to have perpetual existence.

SEVENTH. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the corporation is expressly authorized to adopt, amend or repeal the Bylaws of the corporation, but the stockholders may make additional Bylaws and may alter or repeal any Bylaw whether adopted by them or otherwise.

EIGHTH. Elections of directors need not be by written ballot except and to the extent provided in the Bylaws of the corporation.

NINTH. The number of directors which constitute the whole Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

TENTH. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision

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contained in applicable statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the bylaws of the Corporation.

ELEVENTH. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived any improper personal benefit, and to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Law as the same exists or may hereafter be amended. If the Delaware General Corporation Law is amended after the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of this Article ELEVENTH shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

TWELFTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained herein, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

The undersigned incorporator hereby acknowledges that the foregoing Certificate of Incorporation is the act and deed of such incorporator and that the facts stated therein are true.

Date: June 29, 1998

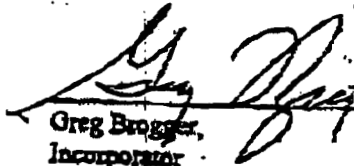

Greg Bragg,
Incorporator

EXHIBIT A
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ADVANCED TELCOM GROUP, INC.

FIRST. The name of the corporation is Advanced TelCom Group, Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is 1013 Centre Road, Wilmington, County of New Castle, Delaware 19805. The name of its registered agent at such address is Corporation Service Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares which the corporation shall have authority to issue is 100 shares of capital stock, all of which shall be designated "Common Stock" and the par value of each such share is \$0.0001 per share.

FIFTH. The Board of Directors of the corporation is expressly authorized to adopt, amend or repeal the by-laws of the corporation, but the stockholders may make additional by-laws and may alter or repeal any by-law whether adopted by them or otherwise.

SIXTH. Elections of directors need not be by written ballot except and to the extent provided in the by-laws of the corporation.

SEVENTH. The Corporation is to have perpetual existence.

EIGHTH. The number of directors which constitute the whole Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

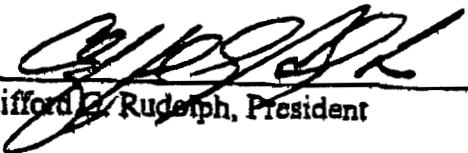
NINTH. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in applicable statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the bylaws of the Corporation.

TENTH. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived any improper personal benefit, and to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Law as the same exists or may hereafter be amended. If the Delaware General Corporation Law is amended after the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of this TENTH Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ELEVENTH. The Corporation reserves the right to amend, alter, change or repeal any provision contained herein, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the President of the Corporation, hereby declare and certify that this is my act and deed and the facts herein stated are true and, accordingly, I have executed this Amended and Restated Certificate of Incorporation on the 21st day of April, 1999.


Clifford J. Rudolph, President

State of Delaware
Office of the Secretary of State


PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "ADVANCED TELCOM GROUP, INC.", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF JULY, A.D. 1998, AT 4:30 O'CLOCK P.M.



2916207 8100

981359092



Edward J. Freel, Secretary of State
9304637

AUTHENTICATION: 09-16-98

DATE:

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
ADVANCED TELCOM GROUP, INC.

Pursuant to the provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware, the undersigned corporation adopts the following Amended and Restated Certificate of Incorporation and hereby certifies as follows:

1. The name of the corporation is Advanced TelCom Group, Inc. (the "Corporation").

2. The following Amended and Restated Certificate of Incorporation was adopted by the stockholders of the Corporation by unanimous written consent in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

The Certificate of Incorporation of the Corporation, filed with the Delaware Secretary of State on July 1, 1998, is hereby amended and restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is Advanced TelCom Group, Inc. (the "Corporation").

ARTICLE II

REGISTERED OFFICE

The address, including street, number, city and county, of the registered office of the Corporation in the State of Delaware, is 1013 Centre Road, City of Wilmington, County of New Castle, State of Delaware 19805; and the name of the registered agent of the Corporation in the State of Delaware at such address is Corporation Service Company.

ARTICLE III

PURPOSES

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

CAPITAL SECURITIES

The total number of shares of capital stock that the Corporation shall have authority to issue is 1,854,000 shares, each of which shall have a par value of \$.0001 per share and of which

(i) 27,000 shares are hereby designated as Series A Preferred Stock, (ii) 800,000 shares are hereby designated as Series B Preferred Stock, (iii) 27,000 shares are hereby designated as Redeemable Preferred Stock, and (iv) 1,000,000 shares are hereby designated as Common Stock.

The Corporation is authorized to issue, from time to time, all or any portion of the capital stock of the Corporation that is authorized but not issued, to such person or persons and for such lawful consideration as it may deem appropriate, and generally in its absolute discretion to determine the terms and manner of any disposition of such authorized but unissued capital stock.

Any and all such shares issued for which the full consideration has been paid or delivered shall be deemed fully paid shares of capital stock, and the holder of such shares shall not be liable for any further call or assessment or any other payment thereon.

The voting powers, designations, preferences, privileges and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions of each class of capital stock of the Corporation shall be as hereafter provided in this Article IV.

A. SERIES A PREFERRED STOCK

1. Election of Directors: Voting.

(a) Election of Directors. For so long as a majority of the shares of Series A Preferred Stock are held by the original purchasers thereof or their respective Affiliates, or until such earlier date as of which a B Round Financing shall have been consummated, unless otherwise agreed by the holders of a majority of the Series A Preferred Stock, (i) the Corporation's Board of Directors shall consist of seven (7) members and (ii) the holders of outstanding shares of Series A Preferred Stock shall, voting together as a separate class, be entitled to elect four (4) Directors of the Corporation (such four Directors being referred to as the "Series A Director Designees"). The election of the Series A Director Designees by the holders of the Series A Preferred Stock may occur (i) at the annual meeting of holders of capital stock, (ii) at any special meeting of holders of capital stock, (iii) at any special meeting of holders of Series A Preferred Stock called by holders of a majority of the issued and outstanding shares of Series A Preferred Stock or (iv) by the written consent of holders of a majority of the issued and outstanding shares of Series A Preferred Stock. So long as the holders of Series A Preferred Stock shall be entitled to elect Series A Director Designees under this Section A.1(a), if any Series A Director Designee should cease to be a Director for any reason, the vacancy shall only be filled by the vote or written consent of the holders of the outstanding shares of Series A Preferred Stock, voting together as a single class in the manner and on the basis specified above. The holders of outstanding shares of Common Stock shall be entitled to vote in the election for all Directors of the Corporation other than the Series A Director Designees, voting together as a single class. The holders of outstanding shares of Series A Preferred Stock may, in their sole discretion, determine to elect less than four (4) Series A Director Designees from time to time, and during any such period the Board of Directors nonetheless shall be deemed duly constituted. From and after such time as the holders of Series A Preferred Stock are no longer entitled to elect Series A Director Designees as set forth above in this Section, all Directors shall be elected by the holders of Common Stock and Series A Preferred Stock, voting together as a single class.

with each outstanding share of Series A Preferred Stock entitled to the number of votes equal to the number of shares of Common Stock into which each share of Series A Preferred Stock may be converted pursuant to Section A.5 on the record date for the vote or written consent of stockholders, as applicable, therefor.

(b) Voting Generally. The holder of each share of Series A Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which each share of Series A Preferred Stock may be converted pursuant to Section A.5 on the record date for the vote or for written consent of stockholders, as applicable. The holder of each share of Series A Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the by-laws of the Corporation and, except as otherwise provided in Section A.1(a), shall vote together with holders of the Common Stock, voting together as single class, upon all matters submitted to a vote of stockholders. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares of Common Stock into which shares of Series A Preferred Stock held by each holder may be converted) shall be rounded to the nearest whole number (with one-half rounded upward to one).

2. Dividends. (a) The holders of Series A Preferred Stock shall be entitled, in preference to the holders of any and all other classes of capital stock of the Corporation ranking junior in right to the Series A Preferred Stock, to receive on each share of Series A Preferred Stock, out of funds legally available therefor, cumulative cash dividends payable at the rate of 15% per annum on the sum of \$74.0741 (such amount, as adjusted from time to time in accordance with Section A.2(b) is referred to as the "Series A Purchase Price"). Such dividends will be calculated and compounded annually in arrears on December 31 of each year (commencing on December 31, 1998) in respect of the prior twelve month period, or portion thereof, (prorated on a daily basis for partial periods). Such dividends shall commence to accrue on each share of Series A Preferred Stock from the date of issuance thereof, whether or not declared by the Board of Directors and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and shall continue to accrue until the Series A Liquidation Preference is paid in full in cash or until the conversion of the Series A Preferred Stock in accordance with Section A.5 (such dividends being referred to as the "Series A Dividends"). Series A Dividends shall be due and payable with respect to each share of Series A Preferred Stock as provided in Sections A.3 and A.4. Series A Dividends paid in cash in an amount less than the total amount of such dividends at the time accumulated and payable on all outstanding shares of Series A Preferred Stock shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. At any time when shares of Series A Preferred Stock are outstanding and the Series A Dividends have not been paid in full in cash, (a) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior in right to the Series A Preferred Stock, and (b) the Corporation shall not, and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation ranking junior in right to the Series A Preferred Stock, any Convertible Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof; provided, however, that the Corporation and its

(b) All numbers relating to the calculation of dividends pursuant to this Section A.2 shall be equitably adjusted to reflect any stock split, stock dividend, combination, reorganization, recapitalization, reclassification or other similar event involving the Series A Preferred Stock.

(a) Liquidation Preference. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (as further defined in Section A.3(b), a "Liquidation Event"), each holder of outstanding shares of Series A Preferred Stock shall be entitled to be paid with respect to each share of Series A Preferred Stock out of the assets of the Corporation available for distribution to stockholders, whether such assets are capital, surplus or earnings, and before any amount shall be paid or distributed to the holders of Common Stock or of any other stock ranking junior in right to the Series A Preferred Stock, an amount in cash equal to the sum of (i) the Series A Purchase Price plus (ii) any accumulated but unpaid dividends to which such holder of outstanding shares of Series A Preferred Stock is then entitled pursuant to Sections A.2 and A.4(d) hereof, plus (iii) any interest accrued pursuant to Section A.4(c) (such sum being referred to as the "Series A Liquidation Preference"); provided, however, that if upon any Liquidation Event, the amounts payable with respect to the issued and outstanding Series A Preferred Stock are not paid in full, the amounts available for distribution shall be distributed ratably among the holders of Series A Preferred Stock in accordance with their relative holdings thereof.

(b) Consolidation, Merger, etc. A Sale of the Corporation shall be deemed to constitute a "Liquidation Event" for all purposes hereof. Notwithstanding the foregoing, a Sale of the Corporation shall not be deemed to be a Liquidation Event for the purposes of this Section A.3 if the holders of not less than a majority of the issued and outstanding Series A Preferred Stock waive in writing the provisions of this Section A.3 with respect to such transaction. Any reorganization of the Corporation required by any court or administrative body in order to comply with any provision of law shall be deemed to be a Liquidation Event unless the preferences, qualifications, limitations, restrictions and special or relative rights granted to or imposed upon the holders of Series A Preferred Stock are not adversely affected by such reorganization.

(c) The provisions of this Section A.3 shall not in any way limit the right of the holders of Series A Preferred Stock to elect to convert their shares of Series A Preferred Stock into shares of Redeemable Preferred Stock and Common Stock pursuant to Section A.5 below prior to or in connection with any Liquidation Event.

(c) Redemption Prohibited. If, at a Series A Preferred Redemption Date, the Corporation is prohibited under the DGCL or other applicable law from redeeming all shares of Series A Preferred Stock for which redemption is required hereunder, then it shall redeem such shares on a pro rata basis among the holders of Series A Preferred Stock in proportion to the full respective redemption amounts to which they are entitled hereunder to the extent the Corporation is not so legally prohibited from doing so and shall redeem the remaining shares to be redeemed as soon as the Corporation is not legally prohibited from redeeming some or all of such shares. Any shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all of the rights and preferences provided in this Article IV. In the event that the Corporation fails to redeem shares for which redemption is required pursuant to Section A.4(a)(i), then during the period from the applicable Series A Redemption Date through the date on which such shares are redeemed, the applicable redemption price of such shares plus additional dividends that accumulate in respect of such shares under Section A.4(d) shall bear interest at the rate of 15% per annum, which interest rate shall increase by an additional .5% per annum at the end of each six (6) month period thereafter until the Series A Preferred Redemption Price (as so increased) is paid in full, subject to a maximum rate of 20% per annum and with such interest to be compounded annually. Without limitation of the foregoing, the Corporation shall take such action as shall be necessary or appropriate to remove promptly any impediments to its ability to redeem Series A Preferred Stock under the circumstances contemplated by this Section A.4. Any successor to the Corporation shall agree, as a condition to such succession, to carry out and observe the obligations of the Corporation hereunder with respect to the Series A Preferred Stock.

(d) Dividend After Series A Redemption Date. From and after a Series A Redemption Date, no shares of Series A Preferred Stock subject to redemption shall be entitled to dividends as provided in Section A.2; provided, however, that in the event that shares of Series A Preferred Stock are not for any reason redeemed and continue to be outstanding after the Series A Redemption Date, such shares shall continue to be entitled to dividends as provided in Section A.2 and interest as provided in Section A.4(c) until the date on which such shares are actually redeemed by the Corporation in full in cash.

(e) Surrender of Certificates. Upon receipt of the applicable redemption price therefor, each holder of shares of Series A Preferred Stock so redeemed shall surrender the certificate or certificates representing such shares so redeemed to the Corporation, duly assigned or endorsed for transfer (or accompanied by duly executed stock powers relating thereto), or shall deliver an affidavit or agreement satisfactory to the Corporation to indemnify the Corporation (without the need to post any bond or other security for such obligation) from any loss incurred by it in connection therewith (such an affidavit or agreement with respect to any share certificate issued by the Corporation is referred to as an "Affidavit of Loss") with respect to such certificates at the principal executive office of the Corporation or the office of the transfer agent for the Series A Preferred Stock or such office or offices in the continental United States of an agent for redemption as may from time to time be designated by notice to the holders of Series A Preferred Stock, and each surrendered certificate shall be canceled and retired.

5. Conversion into Redeemable Preferred Stock and Common Stock. The holders of the Series A Preferred Stock shall have the following conversion rights:

(a) Voluntary Conversion. The holders of shares of Series A Preferred Stock shall be entitled at any time, upon the written election of the holder or holders of more than fifty percent (50%) of the issued and outstanding shares of Series A Preferred Stock, without the payment of any additional consideration, to cause each outstanding share of Series A Preferred Stock (but not less than all of such shares) to be converted into (i) one share of fully paid and nonassessable Redeemable Preferred Stock and (ii) a number of shares of fully paid and nonassessable Common Stock determined as hereafter provided in this Section A.5(a). The number of shares of Common Stock issuable per share of Series A Preferred Stock shall be determined on the basis of the ratio that results from dividing (i) the Series A Purchase Price by (ii) the Conversion Price (as defined below) per share, both as in effect for the Series A Preferred Stock at the time of conversion. Upon the filing of this Certificate of Incorporation with the Delaware Secretary of State, the initial "Conversion Price" per share of Series A Preferred Stock shall be the Series A Purchase Price. The number of shares of Common Stock into which shares of Series A Preferred Stock are convertible and the Series A Conversion Price are subject to adjustment from time to time as provided in Section A.6 hereof. Upon the election to so convert in the manner and on the basis specified in this Section A.5(a), all holders of the Series A Preferred Stock shall be deemed to have elected voluntarily to convert all outstanding shares of Series A Preferred Stock pursuant to this Section A.5(a).

(b) Automatic Conversion Upon Qualified Public Offering. Each share of Series A Preferred Stock shall automatically be converted, without the payment of any additional consideration, into the number of shares of Common Stock and Redeemable Preferred Stock provided for in Section A.5(a) as of the date of, and in all cases subject to, the consummation of the Corporation's first underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, (i) where the aggregate net proceeds attributable to sales for the account of the Corporation in such public offering exceed \$25,000,000, (ii) where the price per share for which shares of Common Stock are sold in such public offering is not less than (aa) five (5) times the Series A Purchase Price as in effect on such date if the public offering is consummated on or prior to the fifth anniversary of the consummation of the B Round Financing or (bb) seven (7) times the Series A Purchase Price as in effect on such date if the public offering is consummated after such fifth anniversary, (iii) upon which all outstanding shares of Redeemable Preferred Stock are redeemed or, contemporaneously therewith, cash in an amount sufficient to redeem all outstanding shares of Redeemable Preferred Stock (including, without limitation, all such shares issued or to be issued upon such conversion of Series A Preferred Stock) is set aside for such purpose and arrangement reasonably satisfactory to the holders of a majority thereof is made to effect such redemption immediately thereafter, and (iv) after which Common Stock is listed on a U.S. national securities exchange or on the NASDAQ National Market system (such offering, a "Qualified Public Offering"); provided that if a Qualified Public Offering is consummated, all outstanding shares of Series A Preferred Stock shall be deemed to have been converted into shares of Common Stock and Redeemable Preferred Stock as provided in this Section A.5 immediately prior to such consummation.

with respect thereto, the Corporation shall issue and deliver to such holder so surrendering such certificates or to such holder's designee, promptly (and in any event in such time as is sufficient to enable such holder to participate in such Qualified Public Offering) at an address designated by such holder, certificates for the number of shares of Common Stock and number of shares of Redeemable Preferred Stock into which such holder's Series A Preferred Stock shall have been converted.

6. Adjustments.

(a) Adjustments for Subdivisions, Combinations or Consolidation of Common Stock. In the event the outstanding shares of Common Stock shall be subdivided by stock split, stock dividends or otherwise, into a greater number of shares of Common Stock, the Conversion Price then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Conversion Price then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(b) Adjustments for Stock Dividends and Other Distributions. In the event the Corporation at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive any distribution (excluding any repurchases of securities by the Corporation not made on a pro rata basis from all holders of any class of the Corporation's securities) payable in property or in securities of the Corporation other than shares of Common Stock, and other than as otherwise adjusted in accordance herewith, then and in each such event the holders of Series A Preferred Stock shall receive at the time of such distribution, the amount of property or the number of securities of the Corporation that they would have received had their Series A Preferred Stock been converted into Common Stock on the date of such event.

(c) Adjustments for Reclassification, Exchange and Substitution. If the Common Stock issuable upon conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or other transaction (other than a subdivision or combination of shares provided for above), each share of Series A Preferred Stock shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Corporation deliverable upon conversion of such share of Series A Preferred Stock shall have been entitled upon such reorganization, reclassification or other transaction.

(d) Adjustments of the Conversion Price. If and whenever on or after the date the first share of Series A Preferred Stock is issued the Corporation issues or sells (including, without limitation, in connection with a B Round Financing), or in accordance with Section A.6(e) is deemed to have issued or sold, any shares of its Common Stock or Convertible Securities for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then upon such issue or sale, the Conversion Price shall be

reduced to an amount determined by dividing (a) the sum of (1) the product derived by multiplying (i) the Conversion Price in effect immediately prior to such issue or sale times (ii) the number of shares of Common Stock Deemed Outstanding immediately prior to such issue or sale, plus (2) the consideration, if any, received (or deemed received) by the Corporation upon such issue or sale, by (b) the number of shares of Common Stock Deemed Outstanding immediately after such issue or sale.

(c) Effect of Certain Events on Conversion Prices. For purposes of determining the adjusted Conversion Price under Section A.6(d), the following shall be applicable:

(i) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities, whether or not the rights exercise, convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Conversion Price in effect immediately prior to the time of such issue or sale, then the maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock is issuable" shall be determined by dividing (a) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the cumulative minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the exercise, conversion or exchange thereof and, if applicable, the exercise, conversion and exchange of any other Convertible Securities that such Convertible Securities may be converted into or exercised or exchanged for (in each case, as set forth in the instruments and agreements relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration), by (b) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of all such Convertible Securities (as set forth in the instruments and agreements relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number). No further adjustment of the Conversion Price shall be made when Common Stock and, if applicable, any other Convertible Securities, are actually issued upon the exercise, conversion or exchange of such Convertible Securities.

(ii) Change in Exercise Price or Conversion Rate. If the additional consideration payable to the Corporation upon the exercise, conversion or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock should change at any time, the Conversion Price in effect at the time of such change shall be readjusted to the Conversion Price that would have been in effect at such time had such Convertible Securities that are still outstanding provided for such changed additional consideration or changed conversion rate, as the case may be, at the time such Convertible Securities were initially granted, issued or sold; and on the termination date of any right to exercise, convert or exchange such Convertible Securities without such right having been duly exercised, the Conversion Price then in effect hereunder shall be increased to the Conversion Price that would have been in effect at the time of such termination had such

Convertible Securities, to the extent outstanding immediately prior to such termination, never been issued.

(iii) Exceptions for Excluded Securities. Notwithstanding the foregoing, no adjustments shall be made under this Section A.6(e) with respect to the issuance of any Excluded Securities.

(iv) Valuation of Non-Cash Consideration. The consideration received by the Corporation for the issue of any shares of Common Stock, Convertible Securities or any other Convertible Securities that such Convertible Securities may be converted into or exercised or exchanged for shall be computed as follows:

(A) insofar as such consideration consists of cash, such consideration shall equal the aggregate amount of cash received by the Corporation prior to amounts paid or payable for accrued interest or accrued dividends and prior to any commissions or expenses paid by the Corporation;

(B) insofar as such consideration consists of property other than cash, such consideration shall be calculated at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(C) in the event shares of Common Stock, Convertible Securities or any other Convertible Securities that such Convertible Securities may be converted into or exercised or exchanged for are issued together with other securities or other assets of the Corporation for consideration that is allocable to both such Common Stock and Convertible Securities, and to such other securities and assets, the portion of such consideration allocable to such Common Stock or Convertible Securities shall be that set forth in the instruments and agreements issued or entered into in connection with such transaction, and if no such allocation is so set forth, then the portion of such consideration allocable to such Common Stock or Convertible Securities, calculated as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors.

(f) No Impairment. The Corporation will not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, and will at all times in good faith assist in the carrying out of all the provisions of this Section A.6 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series A Preferred Stock against impairment.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section A.6, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is

based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of such holder's Series A Preferred Stock.

7. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock and Redeemable Preferred Stock, solely for the purpose of effecting the conversion of the shares of Series A Preferred Stock, such number of its shares of Common Stock and Redeemable Preferred Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock and Redeemable Preferred Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series A Preferred Stock, the Corporation shall take all such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock and Redeemable Preferred Stock to such number of shares as shall be sufficient for such purpose.

8. Valuation of Distribution Securities. Any securities or other consideration to be delivered to the holders of the Series A Preferred Stock or Redeemable Preferred Stock, as the case may be, upon any Liquidation Event in accordance with the terms hereof shall be valued as follows:

(i) If traded on a nationally recognized securities exchange or interdealer quotation system, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the 30-day period ending three (3) business days prior to the closing;

(ii) If traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the 30-day period ending three (3) business days prior to the closing; and

(iii) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of more than fifty percent (50%) of the combined voting power of the issued and outstanding shares of Series A Preferred Stock, or, in the case where Redeemable Preferred Stock is outstanding, the holders of more than fifty percent (50%) of the issued and outstanding shares of Redeemable Preferred Stock; provided that if the Corporation and the holders of such percentage of the combined voting power of the issued and outstanding shares of Series A Preferred Stock or of such percentage of the issued and outstanding Redeemable Preferred Stock, as the case may be, are unable to reach agreement, then by independent appraisal by an investment banker hired and paid by the Corporation, but reasonably acceptable to the holders of such percentage of the combined voting power of the issued and outstanding shares of Series A Preferred Stock or of such percentage of the issued and outstanding Redeemable Preferred Stock, as the case may be.

9. No Closing of Transfer Books. The Corporation shall not close its books against the transfer of shares of Series A Preferred Stock in any manner that would interfere with the timely conversion of any shares of Series A Preferred Stock.

10. No Reissuance of Series A Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares that the Corporation shall be authorized to issue.

B. REDEEMABLE PREFERRED STOCK

1. Voting.

Except as otherwise provided below and as required by law, the holders of Redeemable Preferred Stock shall have no voting rights with respect to shares of Redeemable Preferred Stock.

2. Dividends. (a) The holders of Redeemable Preferred Stock shall be entitled, in preference to the holders of any and all other classes of capital stock of the Corporation ranking junior in right to the Redeemable Preferred Stock, to receive on each share of Redeemable Preferred Stock, out of funds legally available therefor, cumulative cash dividends at the rate of 15% per annum on the sum of (i) the initial Series A Purchase Price, plus (ii) all of the unpaid Series A Dividends accrued on each share of Series A Preferred Stock as of the date such Redeemable Preferred Stock is issued (the per share sum of such amount and the amount set forth in clause (i) above, as such sum is adjusted from time to time to reflect stock splits, combinations, reorganizations, recapitalizations, reclassifications and other similar events involving the Redeemable Preferred Stock, is referred to as the "Redeemable Purchase Price"). Such dividends will be calculated and compounded annually in arrears on December 31 of each year in respect of the prior twelve month period, or portion thereof, (prorated on a daily basis for partial periods). Such dividends shall commence to accrue on each share of Redeemable Preferred Stock from the date of issuance thereof, whether or not declared by the Board of Directors and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and shall continue to accrue thereof until the Redeemable Liquidation Preference is paid in full in cash (such dividends being referred to as the "Redeemable Dividends"). Redeemable Dividends shall be due and payable with respect to any share of Redeemable Preferred Stock as provided in Sections B.3 and B.4. Redeemable Dividends paid in cash in an amount less than the total amount of such dividends at the time accumulated and payable on all outstanding shares of Redeemable Preferred Stock, shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. At any time when shares of Redeemable Preferred Stock are outstanding and the Redeemable Dividends have not been paid in full in cash, (a) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior in right to the Redeemable Preferred Stock, and (b) the Corporation shall not, and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation ranking junior in right to the Redeemable Preferred Stock, any Convertible

Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof; provided, however, that the Corporation and its Subsidiaries may, without regard to this Section B.2(a), (i) effect transactions of the type described in Article IV, Sections A.6(a), (b) and (c) for which adjustments are made pursuant thereto and (ii) purchase, redeem or acquire shares of Common Stock and Convertible Securities issued to employees, officers or directors of, or consultants or other service providers to, the Corporation or its Subsidiaries pursuant to equity incentive plans or other arrangements approved by the Board of Directors.

(b) All numbers relating to the calculation of dividends pursuant to this Section B.2 shall be equitably adjusted to reflect any stock split, stock dividend, combination, reorganization, recapitalization, reclassification or other similar event involving a change in the Redeemable Preferred Stock.

3. Liquidation.

(a) Liquidation Preference. Upon any Liquidation Event, each holder of outstanding shares of Redeemable Preferred Stock shall be entitled to be paid with respect to each share of Redeemable Preferred Stock out of the assets of the Corporation available for distribution to stockholders, whether such assets are capital, surplus or earnings, and before any amount shall be paid or distributed to the holders of Common Stock or of any other stock ranking on liquidation junior to the Redeemable Preferred Stock, an amount in cash equal to the sum of (i) the Redeemable Purchase Price plus (ii) any accumulated but unpaid dividends to which such holder of outstanding shares of Redeemable Preferred Stock is then entitled pursuant to Sections B.2 and B.4(d), plus (iii) any interest accrued pursuant to Section B.4(c) (such sum being referred to as the "Redeemable Liquidation Preference"); provided, however, that if upon any Liquidation Event, the amounts payable with respect to the issued and outstanding Redeemable Preferred Stock are not paid in full, the amounts available for distribution shall be distributed ratably among the holders of Redeemable Preferred Stock in accordance with their relative holdings thereof.

(b) Consolidation, Merger, etc. Any reorganization of the Corporation required by any court or administrative body in order to comply with any provision of law shall be deemed to be a Liquidation Event unless the preferences, qualifications, limitations, restrictions and special or relative rights granted to or imposed upon the holders of Redeemable Preferred Stock are not adversely affected by such reorganization. A consolidation, merger, Sale of the Corporation or reorganization shall not be deemed to be a Liquidation Event for the purposes of this Section B.3 if the holders of not less than a majority of the issued and outstanding Redeemable Preferred Stock waive in writing the provisions of this Section B.3.

(c) Holders of Redeemable Preferred Stock shall not be entitled to any additional distribution on account of their Redeemable Preferred Stock upon the occurrence of any Liquidation Event in excess of the Redeemable Preferred Liquidation Preference.

4. Redemption.

(a) Redemption Events.

(i) Holders' Election. Upon the earlier to occur of (i) consummation of a Qualified Public Offering or (ii) the election of the holder or holders of a majority of the issued and outstanding Redeemable Preferred Stock made at any time on or after (aa) June 30, 1999, if the Corporation shall not have theretofore consummated a B Round Financing, or (bb) if the Company shall have so consummated a B Round Financing, the fifth anniversary of the consummation of the B Round Financing, the Corporation shall redeem all (and not less than all, other than pursuant to Section B.4(c) below) of the outstanding shares of Redeemable Preferred Stock at the redemption price specified in Section B.4(b). The foregoing election shall be made by such holders delivering to the Corporation and each of the other holders of Redeemable Preferred Stock not less than thirty (30) days' prior written notice, which notice thereof shall set forth the date for such redemption that will not less than thirty (30) days nor more than sixty (60) days from the date of such written notice.

(ii) Corporation's Election. The Corporation shall have the right at any time to redeem all (and not less than all) of the shares of Redeemable Preferred Stock outstanding at the redemption price specified in Section B.4(b) below. The Corporation shall exercise such right by delivering to each holder of Redeemable Preferred Stock not less than thirty (30) days prior to written notice thereof, which notice shall set forth the date for such redemption that will not be less than thirty (30) nor more than sixty (60) days from the date of such written notice.

(b) Redemption Date: Redemption Price. Upon the election of the holders of Redeemable Preferred Stock made in accordance with Section B.4(a)(i) to cause the Corporation to redeem the Redeemable Preferred Stock, all holders of Redeemable Preferred Stock shall be deemed to have elected to cause the Redeemable Preferred Stock to be so redeemed. Any date upon which a redemption is to occur as specified in a notice thereof in accordance with Section B.4(a)(i) or (ii) is referred to as a "Redeemable Redemption Date." The redemption price for each share of Redeemable Preferred Stock redeemed pursuant to Section B.4 shall be the Redeemable Liquidation Preference as of the date such share of Redeemable Preferred Stock is redeemed in full in cash. Such redemption price shall be payable in cash in immediately available funds on the Redeemable Redemption Date. Until the full redemption price has been paid in cash for all shares of Redeemable Preferred Stock being redeemed, (A) no dividend whatsoever shall be paid or declared, and no distribution shall be made, on any share of the Corporation's Capital Securities ranking junior in right to the Redeemable Preferred Stock, and (B) the Corporation shall not, and shall not permit any Subsidiary to, purchase, redeem or acquire any Capital Securities of the Corporation (other than the Redeemable Preferred Stock in accordance with this Section B.4), any Convertible Securities or any Capital Securities of any Subsidiary, and no monies shall be paid into or set aside or made available for a sinking or other analogous fund for the purchase, redemption or acquisition thereof; provided, however, that the Corporation and its Subsidiaries may, without regard to this Section B.4(b), (i) effect transactions of the type described in Article IV, Sections A.6(a), (b) and (c) for which adjustments are made

pursuant thereto and (ii) purchase, redeem or acquire shares of Common Stock and Convertible Securities issued to employees, officers or directors of, or consultants or other service providers to, the Corporation or its Subsidiaries pursuant to equity incentive plans or other arrangements approved by the Board of Directors.

(c) Redemption Prohibited. If, at a Redeemable Preferred Redemption Date, the Corporation is prohibited under the DGCL or other applicable law from redeeming all shares of Redeemable Preferred Stock for which redemption is required hereunder, then it shall redeem such shares on a pro rata basis among the holders of Redeemable Preferred Stock in proportion to the full respective redemption amounts to which they are entitled hereunder to the extent the Corporation is not so legally prohibited from doing so and shall redeem the remaining shares to be redeemed as soon as the Corporation is not legally prohibited from redeeming some or all of such shares. Any shares of Redeemable Preferred Stock not redeemed shall remain outstanding and entitled to all of the rights and preferences provided in this Article IV. In the event that the Corporation fails to redeem shares for which redemption is required pursuant to this Section B.4(a)(i), then during the period from the applicable Redeemable Redemption Date through the date on which such shares are redeemed, the applicable redemption price of such shares plus additional dividends that accumulate in respect of such shares under Section B.4(d) shall bear interest at the rate of 15% per annum, which interest rate shall increase by an additional .5% per annum at the end of each six (6) month period thereafter until the Redeemable Preferred Redemption Price (as so increased) is paid in full, subject to a maximum rate of 20% per annum and with such interest to be compounded annually. Without limitation of the foregoing, the Corporation shall take such action as shall be necessary or appropriate to remove promptly any impediments to its ability to redeem Redeemable Preferred Stock under the circumstances contemplated by this Section B.4. Any successor to the Corporation shall agree, as a condition to such succession, to carry out and observe the obligations of the Corporation hereunder with respect to the Redeemable Preferred Stock.

(d) Dividend After Convertible Preferred Redemption Date. From and after a Redeemable Redemption Date, no shares of Redeemable Preferred Stock subject to redemption shall be entitled to dividends as provided in Section B.2; provided, however, that in the event that shares of Redeemable Preferred Stock are not for any reason redeemed and continue to be outstanding after the Redeemable Redemption Date, such shares shall continue to be entitled to dividends as provided in Section B.2 and interest as provided in Section B.4(c) until the date on which such shares are actually redeemed by the Corporation in full cash.

(e) Surrender of Certificates. Upon receipt of the applicable redemption price therefor, each holder of shares of Redeemable Preferred Stock so redeemed shall surrender the certificate or certificates representing such shares so redeemed to the Corporation, duly assigned or endorsed for transfer (or accompanied by duly executed stock powers relating thereto), or shall deliver an Affidavit of Loss with respect to such certificates at the principal executive office of the Corporation or the office of the transfer agent for the Redeemable Preferred Stock or such office or offices in the continental United States of an agent for redemption as may from time to time be designated by notice to the holders of Redeemable Preferred Stock, and each surrendered certificate shall be canceled and retired.

5. Prohibition of Issuance. The Corporation shall not issue any shares of Redeemable Preferred Stock except upon the conversion of shares of Series A Preferred Stock in accordance with Section A.5.

C. SERIES B PREFERRED STOCK

Shares of Series B Preferred Stock may be issued from time to time as determined by the Board of Directors. The Board of Directors is hereby authorized to designate each series, to establish the number of shares to be included in each series and to determine or alter the rights, preferences, privileges, and restrictions granted to or imposed upon any wholly unissued series of Series B Preferred Stock and, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any such additional series, to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such additional series subsequent to the issue of shares of that series. Authorized and unissued shares of Series B Preferred Stock may be issued with such designations, voting powers, preferences, and relative, participating, conversion, option or other special rights, and qualifications, limitations and restrictions on such rights, as the Board of Directors may authorize by resolutions duly adopted prior to the issuance of any shares of series of Series B Preferred Stock, including, but not limited to: (i) the distinctive designation of each series and the number of shares that will constitute such series; (ii) the voting rights, if any, of shares of such series and whether the shares of any such series having voting rights shall have multiple or fractional votes per share; (iii) the dividend rate on the shares of such series, any restriction, limitation, or condition upon the payment of such dividends, whether dividends shall be cumulative, and the dates on which dividends are payable; (iv) the prices at which, and the terms and conditions on which, the shares of such series may be redeemed, if such shares are redeemable; (v) the purchase or sinking fund provisions, if any, for the purchase or redemption of shares of such series; (vi) any preferential amount payable upon shares of such series in the event of the liquidation, dissolution, or winding-up of the Corporation, or the distribution of its assets; and (vii) the prices or rates of conversion at which, the terms and conditions on which, the shares are convertible. Any and all shares of Series B Preferred Stock issued and for which full consideration has been paid or delivered shall be deemed fully paid stock, and the holder thereof shall not be liable for any further payment thereon.

D. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of Convertible Preferred Stock and Redeemable Preferred Stock as specified herein.

2. Voting. Each holder of the Common Stock is entitled to one vote for each share thereof held by such holder at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting.

3. Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding shares of Series A Preferred Stock,

Redeemable Preferred Stock, Series B Preferred Stock and any other class of the Company's capital stock that may hereafter be authorized and issued having preferred dividend rights senior to the rights of holders of Common Stock.

4. Liquidation. Upon the occurrence of a Liquidation Event, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to the rights and preferences of any then outstanding shares of Series A Preferred Stock, Redeemable Preferred Stock, Series B Preferred Stock and any other class of the Company's capital stock that may hereafter be authorized and issued having preferred rights upon the occurrence of a Liquidation Event senior to the rights of holders of Common Stock.

E. PROVISIONS OF GENERAL APPLICABILITY

1. Rank. The Series A Preferred Stock or Redeemable Preferred Stock, whichever may be outstanding at the time of measurement, ranks senior in right as to dividends, upon the occurrence of a Liquidation Event and in all other respects to all Common Stock. Shares of Series B Preferred Stock, of any series, shall rank with respect to Series A Preferred Stock, Redeemable Preferred Stock and Common Stock as set forth in the certificate of designation filed with the Secretary of State of Delaware establishing such series of Series B Preferred Stock.

2. Notice.

(a) Liquidation Events, Extraordinary Transactions, Etc. In the event the Corporation establishes a record date to determine the holders of any class of securities who are entitled to receive any dividend or other distribution or who are entitled to vote at a meeting (or by written consent) in connection with a Liquidation Event, Sale of the Corporation or Public Offering, or if the Corporation enters into any agreement with respect to a Liquidation Event, Sale of the Corporation or Public Offering, the Corporation shall mail or cause to be mailed by first class mail (postage prepaid) to each holder of Convertible Preferred Stock (or each holder of Redeemable Preferred Stock, as applicable) at least thirty (30) days prior to such record date specified therein or the expected effective date of any such transaction, a notice specifying (A) the date of such record date for the purpose of such dividend or distribution or meeting or consent and a description of such dividend or distribution or the action to be taken at such meeting or by such consent, (B) the date on which any such Liquidation Event, Sale of the Corporation or Public Offering is expected to become effective, if known, and, in the case of a Sale of the Corporation, the identity of the parties thereto, and (C) the date on which the books of the Corporation shall close or a record shall be taken with respect to any such event.

(b) Waiver of Notice. The holder or holders of a majority of the combined voting power of the outstanding shares of any class of the Corporation's Capital Securities may, at any time upon written notice to the Corporation, waive, either prospectively or retrospectively, any notice provisions specified herein for the benefit of all of the holders of such class.

(c) General. In the event that the Corporation provides any notice, report or statement to any holder of Common Stock, the Corporation shall at the same time provide a copy

of any such notice, report or statement to each holder of outstanding shares of all other classes of the Corporation's issued and outstanding Capital Securities.

3. Interpretation. All references to "Sections" contained herein, unless otherwise specified, are references to Sections of this Article IV. The words "herein", "hereof" and the like refer to the entirety of this Certificate of Incorporation and not to any specific section.

ARTICLE V

PERPETUAL EXISTENCE

The Corporation is to have perpetual existence.

ARTICLE VI

LIMITATION OF LIABILITY

To the fullest extent permitted by the DGCL, Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Second Amended and Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Any repeal or modification of this Article VI by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a person serving as a Director at the time of such repeal or modification.

ARTICLE VII

AMENDMENT OF BY-LAWS

Amendment by Directors. Except as otherwise provided by law, the by-laws of the Corporation may be amended or repealed by the Board of Directors

ARTICLE VIII

DEFINITIONS

The following terms are used herein with the meanings indicated:

"Affidavit of Loss" has the meaning specified in Article IV, Section A.4(e).

"Affiliate or affiliate" means with respect to any Person, any other Person that would be considered to be an affiliate of such Person under Rule 144(a) of the rules of regulations of the Securities and Exchange Commission, as in effect on the date hereof.

"B Round Financing" means an equity financing of the Corporation on terms and conditions approved by the holders of a majority of the issued and outstanding Series A Preferred Stock, the occurrence of which shall be specified either in an amendment to this certificate of incorporation or in any certificate of designation filed with the Delaware Secretary of State establishing the series of the Corporation's Capital Securities to be issued in connection with such transaction.

"Capital Securities" means, as to any Person that is a corporation, the authorized shares of such Person's capital stock, including all classes of common, preferred, voting and non voting capital stock, and, as to any Person that is not a corporation or an individual, the ownership interests in such Person, including, without limitation, the right to share in profits and losses, the right to receive distributions of cash and property, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from such Person, whether or not such interests include voting or similar rights entitling the holder thereof to exercise control over such Person.

"Common Stock Deemed Outstanding" means, at any given time, the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock, plus the number of shares of Common Stock issuable upon the exercise in full of all Convertible Securities whether or not such Convertible Securities are convertible into Common Stock at such time.

"Conversion Price" has the meaning set forth in Article IV, Section A.5(a).

"Convertible Securities" means securities or obligations that are exercisable for, convertible into or exchangeable for shares of Common Stock. The term includes options, warrants or other rights to subscribe for or purchase Common Stock or to subscribe for or purchase other securities or obligations that are convertible into or exchangeable for Common Stock.

"DGCL" means the General Corporation Law of the State of Delaware.

"Excluded Securities" means (i) Capital Securities sold by the Corporation in a Qualified Public Offering, (ii) Convertible Securities issued to employees or Directors of, or consultants or other service providers to, the Corporation that are options to purchase shares of Common Stock pursuant to any incentive stock plan or other form of incentive compensation plan approved by the Corporation's Board of Directors, and the issuance of Common Stock upon the exercise of any such options, (iii) shares of Common Stock issuable upon the conversion of Series A Preferred Stock and the conversion, if any, of any Capital Securities of the Corporation issued in a B Round Financing (although any Capital Securities of the Corporation issued in a B

Round Financing shall not be Excluded Securities), (iv) shares of the Corporation's Capital Securities issued in connection with a stock split, stock dividend, combination, reorganization, recapitalization or other similar event for which adjustment is made in accordance with Article IV, Section E.6(a) through (c), (v) Capital Securities issued to Persons who are not Affiliates of the Company in consideration of the acquisition of one or more business enterprises by the Company and (vi) Capital Securities issued to banks, equipment lessors or vendors which are not Affiliates of the Company as partial consideration for long term debt or lease financing to the Company.

"Fully Diluted Basis" means at any time the sum of (x) the number of issued and outstanding shares of Common Stock, whether or not vested, plus (y) the total number of shares of Common Stock issuable upon the exercise or conversion of all Convertible Securities issued and outstanding at such time.

"Liquidation Event" has the meaning specified in Article IV, Section A.3(a) and (b).

"Person" or "person" means an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof.

"Public Offering" means any offering by the Corporation of its equity securities to the public pursuant to an effective registration statement under the Securities Act of 1933 or any comparable statement under any similar federal statute then in force, other than an offering of shares being issued as consideration in a business acquisition or combination or an offering in connection with an employee benefit plan.

"Qualified Public Offering" has the meaning specified in Article IV, Section A.5(b).

"Redeemable Dividends" has the meaning specified in Article IV, Section B.2(a).

"Redeemable Purchase Price" has the meaning specified in Article IV, Section B.2(a).

"Redeemable Redemption Date" has the meaning specified in Article IV, Section B.4(b).

"Sale of the Corporation" means (a) a merger or consolidation of the Corporation into or with any other Person or Persons who are not affiliates of the Corporation or (b) a single transaction or a series of transactions pursuant to which a Person or Persons who are not affiliates of the Corporation acquire either of the following: (i) capital stock of the Corporation possessing the voting power to elect a majority of the Corporation's board of directors (whether by merger, consolidation or sale or transfer of the Corporation's capital stock; provided, however, that a Qualified Public Offering that results in an acquisition of such voting power shall not be a "Sale of the Corporation"); or (ii) all or substantially all of the Corporation's assets determined on a consolidated basis.

"Series A Director Designee" has the meaning specified in Article IV, Section A.1(a).

"Series A Dividends" has the meaning specified in Article IV, Section A.2(a).

"Series A Liquidation Preference" has the meaning specified in Article IV, Section A.3(a).

"Series A Preferred Stock" has the meaning specified in Article IV (introductory paragraph).

"Series A Preferred Stock Purchase Price" shall have the meaning specified in Article IV, Section A.5(a).

"Series A Purchase Price" has the meaning specified in Article IV, Section A.2(a).

"Series A Redemption Date" shall have the meaning specified in Article IV, Section A.4(b).

"Series A Voluntary Conversion Notice" has the meaning specified in Article IV, Section A.5(c).

"Subsidiary"/"Subsidiaries" means any corporation, partnership, limited liability company, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the Corporation or one or more of the other Subsidiaries of the Corporation or a combination thereof, or (ii) if a partnership, limited liability company, association or other business entity, a majority of the ownership interests therein is at the time owned or controlled, directly or indirectly, by the Corporation or one or more Subsidiaries of that person or a combination thereof. For purposes hereof, the Corporation shall be deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if the Corporation shall be allocated a majority of partnership, association or other business entity gains or losses or shall be or control the managing general partner of such partnership, association or other business entity or a manager of such limited liability company.

"Voting Stock" has the meaning specified in Article IV, Section A.6(a).

I, THE UNDERSIGNED, being the President of the Corporation, hereby declare and certify that this is my act and deed and the facts herein stated are true and, accordingly, I have executed this Amended and Restated Certificate of Incorporation on the 22nd day of July, 1998.

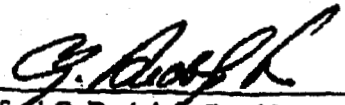

Clifford G. Rudolph, President

EXHIBIT B
Authorization to Transact Business in Arizona

CARL J. KUNASEK
CHAIRMAN

JIM IRVIN
COMMISSIONER

WILLIAM A. MUNDELL
COMMISSIONER



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
EXECUTIVE SECRETARY

JOANNE C. MACDONNELL
DIRECTOR, CORPORATIONS DIVISION

CHARLOTTE LACEY
6455 E JOHNS CROSSING #285
DULUTH, GA 30097

RE: ADVANCED TELCOM GROUP, INC.
File Number: F-0938456-8

We are pleased to notify you that your Application for Authority to transact business in Arizona was approved and filed on February 16, 2000.

You must publish a copy of your Application for Authority. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona, for three (3) consecutive publications. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report Form will be mailed to you prior to the due date of the report.

If you have any questions or need further information, please contact us at (602) 542-3135 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Very truly yours,

ARMINDA ROBINSON
Examiner
Corporations Division
Arizona Corporation Commission

CF:07
Rev: 4/97

EXHIBIT C
Financial Information

Financial Statements as of November 30, 1999.

ADVANCED TELCOM GROUP, INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)

NOVEMBER 30, 1999

Assets	
Total current assets	\$ 2,752,481
Property, plant and equipment, intangibles and investment in subsidiary	<u>148,485,714</u>
	<u><u>\$ 151,238,195</u></u>
 Liabilities and Stockholders' Equity	
Current liabilities:	\$ 21,501,226
Long term debt and other long term liabilities	125,105,160
Stockholders' equity	<u>4,631,809</u>
Total liabilities and stockholders' deficit	<u><u>\$ 151,238,195</u></u>

ADVANCED TELCOM GROUP, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

11 MONTHS ENDED NOVEMBER 30, 1999

Revenue	\$ 265,063
Cost of services	<u>314,415</u>
Gross margin	(49,352)
Costs and expenses	<u>16,857,698</u>
Loss from operations	16,907,050
Interest expense interest and other income	<u>3,083,691</u>
Net loss	<u><u>19,990,741</u></u>

EXHIBIT D
Biographical Information

KEY PERSONNEL

Advanced TelCom Group, Inc. (ATG)

PRINCIPALS

CLIFFORD G. RUDOLPH, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Twenty-five years experience as an entrepreneur and senior executive in both the telecommunications and computer industry. Operating experience includes both regulated and unregulated products and services; corporate and line functions including: marketing, business development, acquisitions/mergers, sales, customer service, field engineering/operations and financial management. Most recently served as President for Brooks Fiber Properties Eastern and Western Divisions. Other executive level positions held at USWest Communications, David Systems, Inc. and the Amdahl Corporation. Masters in Business Administration, Pepperdine University.

ROBERT T. WARSTLER, PRESIDENT AND CHIEF OPERATING OFFICER

Twenty-five plus years experience in the telecommunications and computer industries. Operating experience includes both regulated and unregulated products and services; corporate and line functions including marketing, sales, strategic planning, customer service, business development, field engineering/operations and financial management. Most recently served as Senior Vice President for Network Equipment Technologies. Other executive level positions held at Hitachi Data Systems, U.S. West, Northern Telecom, AT&T and IBM. Bachelor of Arts, Valparaiso University.

MICHAEL R. BLACK, SR. VICE PRESIDENT SALES & FIELD OPERATIONS

Twenty-five plus years experience in the telecommunications industry. Operating experience includes both regulated and unregulated products and services; major and strategic accounts marketing/sales, customer service and field operations. Most recently served as Regional Vice President, Brooks Fiber Properties. Other executive level positions held at Ameritech and USWEST. Masters in Business Administration, Colorado State University.

CURTIS E. WHEELING, SR. VICE PRESIDENT MARKETING

Twenty-five plus years experience in the telecommunications and computer industry. Operating experience includes both regulated and unregulated products and services; corporate and line functions including: marketing, business development, acquisitions/mergers, sales and customer support. Most recently served as Regional Vice President and Vice President Business and Market Development, Brooks Fiber Properties. Other executive level positions held at Hitachi Data Systems and David Systems. Bachelor of Science Electrical Engineering, Montana State University.

THOMAS A. GRINA, SR. VICE PRESIDENT & CHIEF FINANCIAL OFFICER

Fourteen years of experience in a variety of telecommunications companies. Experienced in areas of operations, finance and mergers/acquisitions for companies in the wireless and fixed telephony industries. Most recently was Executive Vice President and Chief Financial Officer for Advanced Radio Telecom. Prior positions include Executive Vice President and Chief Financial Officer at Dial Page, Inc. and Vice President of Finance at an affiliate of Daniels & Associates.

KATHARINE S. KLEIN, SR. VICE PRESIDENT – MERGERS AND ACQUISITIONS

Twenty plus years of experience in investment banking and principal investments. Extensive experience advising major corporations on a wide range of domestic and international financial transactions including mergers and acquisitions and public and private financings. In this capacity was Managing Director, Investment Banking at Lehman Brothers Inc. in New York and London. As Managing Director, Communications Finance at General Electric Capital Corporation served as a principal investor and lender to early-stage telecommunications companies. Bachelor of the Arts from Harvard University and Master of Business Administration from The University of Chicago

KATHRYN L. THOMAS, VICE PRESIDENT-REGULATORY & PUBLIC POLICY

Nineteen plus years experience in the regulated utility industry. Operating experience includes utility companies, consulting and various senior staff positions at state regulatory commissions. Most recently served as Director of Government and Regulatory Affairs-Western Division, Brooks Fiber Properties. Other positions held at Washington State Utilities and Transportation Commission, Northeast Utilities, Potomac Electric Power Company, Exeter Associates and the Bendix Corporation. Bachelor of Business Administration, University of Washington.

CHARLES C. SEEFLOTH, VICE PRESIDENT-FIELD OPERATIONS

Twenty-seven years plus experience in the telecommunications industry. Operating experience primarily regulated services; corporate and line functions, including construction and maintenance organizations, network engineering teams, field engineering/operations and various technical staff positions. Most recently served as Director of Operations, responsible for the implementation of new market transport and switched services networks for Brooks Fiber Properties Western Division. Other positions in staff and network engineering and planning held with Pacific Bell and MCI/WorldCom.

EXHIBIT E
Tariff Information

TITLE SHEETARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Interexchange Telecommunications Services furnished by Advanced TelCom Group, Inc. ("ATGI"), with principal offices at 110 Stony Point Road, Second Floor, Santa Rosa, CA 95401. This tariff applies for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

ISSUE DATE:

EFFECTIVE DATE:

ISSUED BY:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

CONCURRING, CONNECTING OR
OTHER PARTICIPATING CARRIERS

1. Concurring Carriers - None
2. Connecting Carriers - None
3. Other Participating Carriers - None

ISSUE DATE:
ISSUED BY:

EFFECTIVE DATE:
Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

CHECK SHEET

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
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22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original

* New or Revised Sheet

ISSUE DATE:

EFFECTIVE DATE:

ISSUED BY:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

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ISSUE DATE:

EFFECTIVE DATE:

ISSUED BY:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

TARIFF FORMAT

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.1
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I
- 2.1.1.A.1.(a).I.(i)
- 2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

ISSUE DATE:

EFFECTIVE DATE:

ISSUED BY:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

ISSUE DATE:

ISSUED BY:

EFFECTIVE DATE:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to ATGI location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable ATGI to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the Arizona Corporation Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of ATGI or purchases a ATGI Prepaid Calling Card and/or originates prepaid calls using such cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or ATGI - Used throughout this tariff to mean Advanced TelCom Group, Inc., a Delaware corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Prepaid Account - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

Prepaid Calling Card - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

ISSUE DATE:
ISSUED BY:

EFFECTIVE DATE:
Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

Telecom Unit - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Arizona.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

ISSUE DATE:

ISSUED BY:

EFFECTIVE DATE:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

SECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by ATGI for telecommunications between points within the State of Arizona. Services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

ISSUE DATE:

EFFECTIVE DATE:

ISSUED BY:

Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

-
- 2.1.1 The services provided by ATGI are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by ATGI and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of ATGI.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 ATGI services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of ATGI services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

ISSUE DATE:
ISSUED BY:

EFFECTIVE DATE:
Clifford G. Rudolph, President
110 Stony Point Road, Second Floor
Santa Rosa, California 95401

-
- 2.2.3 The use of ATGI services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 ATGI services are available for use 24 hours per day, seven days per week.
- 2.2.5 ATGI does not transmit messages, but the services may be used for that purpose.
- 2.2.6 ATGI services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

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- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 The Company's liability for damages, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentations shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

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- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by ATGI on the Customer's behalf.
- 2.4.3 If required for the provision of ATGI's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to ATGI.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to ATGI and the Customer when required for ATGI personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of ATGI's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of ATGI equipment to be maintained within the range normally provided for the operation of microcomputers.

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- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with ATGI facilities or services, that the signals emitted into ATGI network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, ATGI will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to ATGI equipment, personnel or the quality of service to other Customers, ATGI may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, ATGI may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay ATGI for replacement or repair of damage to the equipment or facilities of ATGI caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any ATGI equipment installed at Customer's premises.
- 2.4.9 If ATGI installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

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- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, ATGI may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any sum due ATGI for more than thirty (30) days after issuance of the bill for the amount due,
- 2.5.1.B For violation of any of the provisions of this tariff,
- 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over ATGI services, or
- 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting ATGI from furnishing its services.

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- 2.5.2 Without incurring liability, ATGI may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and ATGI equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by ATGI without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when ATGI deems it necessary to take such action to prevent unlawful use of its service. ATGI will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

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2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.
- 2.6.2 Credit shall not be issued for unavailability of long distance services.

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2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.8 Deposit

The Company does not require deposits.

2.9 Advance Payments

The Company does not require advance payments.

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2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 30 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 30 day period.

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2.11 Collection Costs

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated or non-regulated services, equipment or facilities, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by the court.

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Late Charge

A late fee of 1.5% per month or the amount otherwise authorized by law, whichever is lower, will be charged on any past due balances.

2.14 Returned Check Charge

A fee will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.15 Reconnection Charge

A reconnection fee of \$25 per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

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SECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

- 3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.
- 3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

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- 3.1.3 Timing begins when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. ATGI will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

110 Stony Point Road, Second Floor
Santa Rosa, CA 95401
(800) 367-2844

Any objection to billed charges should be reported promptly to ATGI. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

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If a Customer accumulates more than One Dollar of undisputed delinquent ATGI 800 Service charges, the ATGI Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of ATGI or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. ATGI's name and toll-free telephone number will appear on the Customer's bill.

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3.5 Service Offerings**3.5.1 1+ Dialing**

This service permits Customers to originate calls via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "101XXXX" followed by "1+ ten digits".

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

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3.5.4 ATGI Prepaid Calling Cards

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase ATGI Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. ATGI Prepaid Calling Cards are available at a variety of face values ranging from five dollars (\$5.00), in one dollar (\$1.00) increments. ATGI Prepaid Calling Card service is accessed using the ATGI toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. ATGI's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units for each call is deducted from the remaining Telecom Unit balance on the Customer's ATGI Prepaid Calling Card.

All calls must be charged against Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

In order to continue the call, the Customer can either call the toll-free number on the back of the ATGI Prepaid Calling Card and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. Calls in progress will be terminated by the Company if the balance on the ATGI Prepaid Calling Card is insufficient to continue the call and the Customer fails to enter the number of another valid ATGI Prepaid Calling Card prior to termination.

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A card will expire on the date indicated on the card, or if no date is specified, 12 months from the date of purchase, or the date of last recharge, whichever is later. The Company will not refund unused balances.

A credit allowance for ATGI Prepaid Calling Card Service is applicable to calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the ATGI Prepaid Calling Card and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed.

When a call charged to an ATGI Prepaid Calling Card is interrupted due to cut-off, one-way transmission, or poor transmission conditions, the Customer will receive a credit equivalent of one Telecom Unit.

Credit allowances for calls pursuant to ATGI Prepaid Card Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company.

Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.

The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls can not be completed.

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3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

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3.5.6 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be provided to Customers pursuant to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis.

3.5.7 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

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SECTION 4 - RATES

4.1 1+ & 101XXXX Dialing

\$0.15 per minute

A \$4.95 per month per number service charge applies.
Billed in one minute increments

4.2 Travel Cards

\$.199 per minute

A \$.25 per call service charge applies.
Billed in one minute increments

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4.3 800 Service (Toll Free)

\$0.150 per minute

A \$10 per month per number service charge applies.
Billed in one minute increments

4.4 Prepaid Calling Cards

\$.249 Per Telecom Unit

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4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$25.00

4.7 Rate Periods

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		
5 p.m. to 11 p.m.*	Evening Rate Period		Evening Rate Period
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

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4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

The Customer will be assessed a monthly federal Universal Service Fund Contribution charge on all telecommunications services, which in no event shall be less than the prevailing contribution percentage rate charged the Company on intrastate traffic by the Universal Service Administrative Company (or any successor). A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

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SECTION 5 - MINIMUM/MAXIMUM RATES

5.1 1 + Dialing

\$0.04 per minute Minimum

\$0.40 per minute Maximum

5.2 Travel Cards

\$0.05 per minute Minimum

\$0.40 per minute Maximum

5.3 800 Service (Toll-Free)

\$0.04 per minute Minimum

\$0.40 per minute Maximum

5.4 Prepaid Calling Cards

\$0.04 per minute Minimum

\$0.50 per minute Maximum

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